

MCI WORLD COM

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August 6, 1999

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Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 96-98

Dear Ms. Salas:

On August 5, 1999, Rob Lopardo, Keith Seat, Kim Scardino, and I of MCI WorldCom and Mark Schneider of Jenner & Block (outside counsel to MCI WorldCom) met with Andrea Kearney, Margaret Egler, Michael Pryor, Daniel Shiman, and Eric Einhorn of the Common Carrier Bureau's Policy and Program Planning Division. We discussed the significant, remaining barriers to local competition in New York (as detailed in the attached document, distributed at the meeting, titled "New York: Critical Remaining Barriers to Local Competition"); areas where KPMG has stated that it is not satisfied with Bell Atlantic's performance in New York (as noted in the attached document, distributed at the meeting, titled "Key New York Open issues Identified by KPMG"); and Bell Atlantic's failure to provide to CLECs parity of performance under the performance standards established by the New York PSC. Of greatest concern to MCI WorldCom is that under these performance standards Bell Atlantic's performance has worsened over time as order volumes have increased.

In accordance with section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), an original and one copy of this memorandum and attachments are being filed with your office.

Sincerely,



Lori Wright
Senior Manager, Regulatory Affairs

cc: Andrea Kearney, Margaret Egler, Michael Pryor, Daniel Shiman, Eric Einhorn

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New York: Critical Remaining Barriers to Local Competition

MCI WorldCom sets forth below its current list of significant remaining barriers to local competition in New York, along with a brief description of each, although many other issues could be added. As an initial matter, it is important not to misinterpret the recent closure of KPMG's exception reports in the third party OSS test in New York. As KPMG explained during the July 27-30, 1999 technical hearings in New York, and Bell Atlantic confirmed, the closure of an exception report means only that KPMG does not intend to conduct further testing in a particular area. It does not mean that KPMG has determined that Bell Atlantic has remedied the deficiencies or resolved the problems identified in the exception report. For example, KPMG recently closed the exception report relating to change management, but KPMG specifically testified that it is not satisfied with Bell Atlantic's performance in this critical area, and its report reflects the "not satisfied" grade.

The critical remaining barriers to local competition in New York at this time are:

- **Loop Provisioning Problems** -- Bell Atlantic still has significant problems with loop provisioning, and parties testified in the New York technical conference the last week of July that Bell Atlantic is still unable to provision loops.
- **Severe xDSL Problems** -- Although Bell Atlantic is rolling out DSL service for its own customers, it seems unable to provision DSL for CLECs, or even provision adequate xDSL-capable loops for competitors.
- **Lack of Parity** -- Bell Atlantic's own data for April, May, and June 1999 indicates it is not providing CLECs with parity of service for either UNE-Platform or Loops.
- **No Effective Backsliding Plan** -- CLECs continue to urge the NY PSC to improve on its backsliding plan, which inappropriately (i) caps Bell Atlantic's liability at \$12.5 million per month; (ii) provides only for credits against CLEC bills, so Bell Atlantic never has an out

of pocket penalty; and, worst, (iii) improperly aggregates data so that harmful performance can be masked indefinitely.

- **Change Management Issues** -- Bell Atlantic is still failing to provide CLECs with adequate notice of changes or with complete and timely documentation for changes. Bell Atlantic continues to flood CLECs with flash announcements that, in many cases, give only hours advance warning of changes. In addition, KPMG found that Bell Atlantic provided timely documentation in only 3 of 19 instances, leading KPMG to list this key item as "not satisfied" in its updated report. Draft Final Report, at RMI1 VII-6 (July 26, 1999). Moreover, the quality of the documentation that Bell Atlantic does provide is poor and must be continuously corrected and updated. Bell Atlantic has, for example, released more than 30 different versions of EDI for pre-ordering.
- **Quality Assurance Testing Problems** -- CLECs still have serious concerns regarding Bell Atlantic's ability to provide an adequate carrier-to-carrier testing environment for pre-ordering and ordering. Based on Bell Atlantic's interim test plan, KPMG closed its exception report on QA testing, but KPMG has acknowledged that testing to date under the interim plan has involved relatively minor releases and that it has conducted no testing of the permanent testing environment that Bell Atlantic intends to implement in September.
- **Pre-Order Response Times Poor** -- KPMG's testing revealed that Bell Atlantic's pre-order response times for CLECs have been poor and not at parity with its own internal performance. In addition, EDI for pre-order is not yet up and running on a commercial basis. If all goes as planned, MCI WorldCom hopes to implement this interface in August and will have a better sense of its commercial viability soon thereafter.
- **Maintenance and Repair Concerns** -- Bell Atlantic prematurely closes CLEC trouble tickets on both UNE-P and loops (according to KPMG), which requires multiple trouble tickets to be opened to eventually resolve a problem, even though timely and adequate maintenance may well be the most crucial part of servicing customers. This is another area where Bell Atlantic provides significantly better service to its own customers than to CLECs.
- **Help Desk Not Adequate** -- MCI WorldCom continues to struggle with Bell Atlantic's help desk support. Help desk phones are not answered quickly enough, and, even when they are answered, adequate answers are not available.
- **Network Design Request** -- Due to NDR concerns, MCI WorldCom (with the support of the New York Attorney General's Office) asked Bell Atlantic to test 500 lines to ensure that they support proper 911 functioning, which Bell Atlantic has now agreed to conduct.

- **Inadequate Notices of Completion** -- Bell Atlantic commonly provides late notices of completion on our UNE-P orders, and sometimes even fails to provide NOCs at all until we escalate the issue.
- **Interconnection Trunking Intervals** -- Bell Atlantic fails to provide interconnection trunks with CLECs within the required intervals.
- **Pattern of Performance** -- When the OSS issue is not a technical problem, but simply poor performance (such as interconnection trunk blocking), there needs to be a pattern of months of adequate performance demonstrating that the issue is resolved, rather than a single retest which could never be adequate to show that the ongoing issue has been resolved.

MCI WorldCom
August 5, 1999

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Key New York Open Issues Identified By KPMG

The following is a list of key items where: (1) KPMG testified that it is "not satisfied" with Bell Atlantic's performance; or (2) KPMG noted significant concerns with BA's performance.

Issue	KPMG References	Open Items Identified by KPMG
Loop Provisioning	<p>Exception 54 (Hot Cuts): Exception Addressed, not resolved. (Report P3-22, P3-24)</p> <p>Exception 44 (IDLC Migrations): Exception Addressed, not resolved. (Report P3-24)</p>	<ul style="list-style-type: none"> KPMG noted potential problems with rewiring and dial-tone checks related to the "Due Date Minus Two" call BA has committed to perform. KPMG did not observe any IDLC customer migrations during retesting and did not retest BA-NY's implementation of new IDLC procedures. KPMG testified that it observed xDSL provisioning problems.
Change Management	<p>(Report R1-6): Not Satisfied</p> <p>Exception 6 (Change Management Practices): Closed. KPMG testified that it is not satisfied with BA's performance.</p>	<ul style="list-style-type: none"> KPMG found "BA's compliance on Type 4 (BA initiated changes) did not consistently meet the established intervals." KPMG concluded "documentation regarding proposed changes has not been provided to CLECs on a timely and consistent basis."
Quality Assurance Testing	<p>Exceptions 21 & 22 (Carrier-to-Carrier Testing Environment): KPMG has no plans to test permanent solution to be implemented in September.</p>	<ul style="list-style-type: none"> Because BA has not established a track record of full implementation of a robust testing environment, KPMG cannot conclude that the new process fully satisfies the test criteria.
Parity Performance	<p>(Report P8-3.5): Not Satisfied</p>	<ul style="list-style-type: none"> "BA-NY did not meet the standard of parity set forth in the primary provisioning metrics and for many of the sub-metrics."

Key New York Open Issues Identified By KPMG

Issue	KPMG References	Open Items Identified by KPMG
Pre-Order Response Time	(Report P5-3): Not Satisfied	<ul style="list-style-type: none"> KPMG found BA did not deliver pre-order response times in a timely manner. KPMG has not retested this item.
Maintenance and Repair	(Report M5-2): Satisfied With Qualifications Exception 35 (Trouble Tickets): Closed. KPMG did not review BA's latest proposed processes.	<ul style="list-style-type: none"> KPMG found a lack of parity that "causes CLEC customers to be served more poorly than BA-NY retail customers." KPMG has not seen any evidence of implementation of a fix to address the potential for CLEC customers to get a lower grade of service in M&R.
Help Desks	(Report P9-16): Not Satisfied (Report P10-8): Not Satisfied Exception 45 (Help Desks): Exception Addressed, not resolved.	<ul style="list-style-type: none"> KPMG not satisfied with Help Desk response times and documentation.